Case3:15-cv-03578 Document1 Filed08/04/15 Page1 of 36 1 Mark N. Todzo, State Bar No. 168389 Abigail Blodgett, State Bar No. 278813 2 LEXINGTON LAW GROUP 503 Divisadero Street 3 San Francisco, CA 94117 Telephone: (415) 913-7800 4 Facsimile: (415) 759-4112 mtodzo@lexlawgroup.com 5 ablodgett@lexlawgroup.com 6 Melissa W. Wolchansky, (pro hac vice pending) Charles D. Moore (pro hac vice pending) 7 HALUNEN LAW 80 South Eighth Street, Suite 1650 8 Minneapolis, MN 55402 Telephone: (612) 605-4098 Facsimile: (612) 605-4099 9 wolchansky@halunenlaw.com 10 moore@halunenlaw.com 11 Attorneys for Plaintiffs and the Putative Classes 12 13 UNITED STATES DISTRICT COURT 14 NORTHERN DISTRICT OF CALIFORNIA SAN FRANCISCO DIVISION 15 16 REBEKAH BAHARESTAN and JENA Case No. 17 MCINTYRE, on behalf of themselves and all others similarly situated, **CLASS ACTION COMPLAINT** 18 Plaintiffs, 19 v. 20 21 VENUS LABORATORIES, INC., dba EARTH FRIENDLY PRODUCTS, INC., 22 Defendant. 23 24 25 26 27 CLASS ACTION COMPLAINT

DOCUMENT PREPARED ON RECYCLED PAPER

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

Plaintiffs REBEKAH BAHARESTAN and JENA MCINTYRE ("Plaintiffs"), individually and on behalf of other similarly situated individuals, allege the following Class Action Complaint against defendant Venus Laboratories, Inc., dba Earth Friendly Products, Inc., and its affiliates known and unknown involved in making, marketing, and distributing the Earth Friendly and products identified below ("Defendant" or "Earth Friendly"), upon personal knowledge as to themselves and their own acts and upon information and belief – based upon, *inter alia*, the investigation made by their attorneys – as to all other matters, as follows:

INTRODUCTION

- 1. In recent years, consumers have become significantly more aware and sensitive to the toxicity and impact of household products on their health, the health of their children, and the general environment. As a result, demand has increased for so-called "green" products that are naturally derived, environmentally sound, non-toxic, and non-injurious to consumers and their health.
- 2. Defendant Earth Friendly Products manufactures, markets and sells "Earth Friendly®" household cleaners and products that it misleadingly labels as "natural," despite containing non-natural ingredients. These products all contain multiple highly processed, synthetic, or non-natural ingredients, including:

Baby Laundry Detergent Chamomile & Lavender

ECOS 4X Concentrated Laundry Detergent

Liquid Laundry Detergent Magnolia & Lily

Liquid Laundry Detergent Lavender

Liquid Laundry Detergent Lemongrass

Liquid Laundry Detergent Free & Clear

Spray Starch

Everyday Stain & Odor Remover

Uni-Fresh Air Freshener Citrus

Uni-Fresh Air Freshener Vanilla

28

26

1	Uni-Fresh Air Freshener Cinnamon
2	Uni-Fresh Air Freshener Lavender
3	Uni-Fresh Air Freshener Parsley
4	Creamy Cleanser
5	Countertop Cleaner
6	Dishmate Natural Almond
7	Dishmate Organic Lavender
8	Dishmate Organic Grapefruit
9	Dishmate Natural Pear
10	Dishmate Fragrance Free
11	Dishmate Apricot
12	Dishmate Grapefruit
13	Hand Dishwash Pear
14	Hand Dishwash Grapefruit
15	Floor Cleaner
16	Fruit & Veggie Wash
17	Orange Plus
18	Orange Plus Complete
19	Parsley Plus All Surface Cleaner
20	Silver Polish
21	Stainless Steel Cleaner
22	Wave
23	Furniture Polish
24	Window Cleaner Lavender
25	Window Cleaner Vinegar
26	Shower Cleaner
27	Toilet Cleaner
28 REPARED	-3-
D PAPER	CLASS ACTION COMPLAINT

DOCUMENT PREPARED ON RECYCLED PAPER

(the "Products").

- 3. Earth Friendly represents the Products to be natural, naturally derived, made from plaints, and safer alternatives to traditional detergents. Additionally, Earth Friendly represents the Products as pure and free from harmful chemicals found in traditional detergents.
- 4. To the detriment of the consumer, the Products are not, in fact, natural. All of the Products contain at least one or more of the following non-natural ingredients: Alcohol Denat; Caprylyl/Myristyl Glucoside; Cocamidopropyl Betaine; Cocamidopropylamine oxide; Lauryl glucoside; Methylisothiazolinone; Phenoxyethanol; Potassium cocoate; Potassium sorbate; and Sodium Coco-Sulfate.
- 5. In fact, the Products contain a chemical, Methylisothiazolinone ("MI"), which is so potent an allergen that between 2% and 10% of the population may have developed an allergic response to it, with more becoming sensitized every day. This number has grown exponentially over the past few years as use of MI has become more widespread. Notwithstanding the often severe reactions suffered by the significant percentage of individuals who have developed allergic responses to MI, Earth Friendly fails to include any type of warning informing users that the Products contain a known skin allergen.
- 6. To label the Products as "natural" creates consumer deception and confusion. A reasonable consumer purchases the Products believing they are natural based on the Products' labeling. However, a reasonable consumer would not deem the Products natural if he/she knew that the ingredients contained in the Products are highly processed and/or non-natural.
- 7. This is a proposed class action brought by Plaintiffs, on behalf of a class of similarly situated individuals, against Earth Friendly seeking redress for Defendant's unjust, unfair, and deceptive practices in misrepresenting the natural quality and other benefits of the Products and failing to warn for known hazards of the Products in violation of Illinois, Washington, and California law.

JURISDICTION AND VENUE

8. This Court has personal jurisdiction over the parties in this case. Plaintiff
Baharestan is a citizen of California within the County of Marin. Defendant maintains its Western

Division Office in Garden Grove, California, purposefully avails itself to the California consumer market, and distributes the Products to at least hundreds of locations within this County and thousands of retail locations throughout California, where the Products are purchased by thousands of consumers every day.

- 9. Plaintiff Jena McIntyre is a citizen of Washington, residing in Sedro Woolley, Washington.
- 10. This Court has original subject-matter jurisdiction over this proposed class action pursuant to 28 U.S.C. § 1332(d), which under the provisions of the Class Action Fairness Act ("CAFA"), explicitly provides for the original jurisdiction of the federal courts in any class action in which at least 100 members are in the proposed plaintiff class, any member of the plaintiff class is a citizen of a State different from any defendant, and the matter in controversy exceeds the sum of \$5,000,000.00, exclusive of interest and costs. Plaintiffs allege that the total claims of individual members of the proposed Class (as defined herein) are well in excess of \$5,000,000.00 in the aggregate, exclusive of interest and costs.
- 11. Venue is proper in this District under 28 U.S.C. § 1391(a). Substantial acts in furtherance of the alleged improper conduct, including the dissemination of false and misleading information regarding the nature, quality, and/or ingredients of the Products, occurred within this District.

Intradistrict Assignment

12. Assignment to the San Francisco Division is appropriate under Civil L.R. 3-2(c) and (d) because a substantial part of the events or omissions that give rise to the claim – including the dissemination of false and misleading information regarding the nature, quality, and/or ingredients of the Products – occurred within the Counties of Alameda, Contra Costa, Del Norte, Humboldt, Lake, Marin, Mendocino, Napa, San Francisco, San Mateo, and Sonoma.

PARTIES

Individual and Representative Plaintiff

13. Plaintiff Baharestan is an individual consumer who, at all times material hereto, was a citizen of Marin County, California. Plaintiff Baharestan purchased Ultra Dishmate in 2014 from a Mollie Stone's market at Bon Air Shopping Center in Greenbrae, Marin

County, and from a Whole Foods Market in San Rafael. Plaintiff Baharestan purchased ECOS Natural Laundry in 2014 from a Costco store located in Vintage Oaks Plaza in Novato, Marin County.

- 14. Plaintiff Baharestan relied on Defendant's false, misleading, and deceptive representations that Ultra Dishmate and ECOS Natural Laundry would provide natural, relatively safe, environmentally sound, and non-injurious, non-abrasive alternatives to traditional detergent offerings. Had Plaintiff Baharestan known the truth that the statements she relied on were false, misleading, deceptive, and unfair, she would have not purchased Ultra Dishmate or ECOS Natural Laundry.
- 15. Plaintiff Baharestan is allergic to MI. Although she now knows and understands that even the slightest exposure to MI will result in a serious allergic reaction, she came to that realization only in September 2014, after numerous visits to doctors and a significant amount of testing. At the time Plaintiff Baharestan purchased the Products, she was unaware of her allergy to MI.
- 16. If Plaintiff Baharestan knew that the Product labels were truthful and not misleading, she would consider purchasing the Products in the future. At present, however, Plaintiff Baharestan cannot be confident that the labeling of the Products is, and will be, truthful and non-misleading.
- 17. Plaintiff McIntyre purchased Liquid Laundry Detergent Magnolia & Lily from 2012 to 2014, Liquid Laundry Detergent Free & Clear from the Walmart Supercenter in Mount Vernon, Washington from 2013 to 2014, as well as Parsley Plus All Surface Cleaner from the Fred Meyer in Burlington, Washington in 2014.
- 18. Plaintiff McIntyre relied on Defendant's false, misleading, and deceptive representations that the products would provide natural, relatively safe, environmentally sound, and non-injurious, non-abrasive alternatives to traditional detergent offerings. Had Plaintiff McIntyre known the truth that the statements she relied on were false, misleading, deceptive, and unfair, she would have not purchased the Products.
- 19. If Plaintiff McIntyre knew that the Product labels were truthful and not misleading, she would consider purchasing the Products in the future. At present, however,

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Plaintiff McIntyre cannot be confident that the labeling of the Products is, and will be, truthful and non-misleading.

Defendant

- 20. Defendant Earth Friendly is a Delaware corporation with its principal place of business in Addison, Illinois.
- 21. According to the packaging for the Products, they are distributed by Earth Friendly Products, "For Love of the Planet, Addison, IL 60101" and "Made in the USA in CA, FL, IL, NJ & WA."
- 22. Plaintiff does not know the names and locations of the other defendants listed under fictitious names as "DOES 1-5," who, along with the identified Defendant, are believed to be responsible for the manufacture, marketing, and/or distribution of the Products and who will be identified specifically upon further discovery.
- 23. Plaintiff refers herein to each and all of the defendants identified above as "Defendant" or "Earth Friendly."
- 24. Defendant manufactures, markets, and distributes the Products throughout California and the United States.

COMMON FACTUAL ALLEGATIONS

- A. Defendant Deceives Consumers By Falsely Labeling the Products as "Natural."
- 25. Each year, consumers purchase billions of dollars' worth of "natural" products. In 2010, U.S. consumers purchased \$10.9 billion worth of natural/organic personal care and household products; up from \$10.4 billion in 2009. Given this strong demand for "natural" products, it is not surprising that Defendant labels its Products as "natural."
- 26. Seeking to profit on consumers' desire to locate and use natural, environmentally sound, non-abrasive, and non-injurious detergent alternatives to standard offerings, Defendant markets the Products as "natural," derived from plants, and free from harmful chemicals, providing environmental and safety benefits that traditional detergents do not.

¹ Natural Products Association, http://www.npainfo.org/NPA/About_NPA/NPA/AboutNPA/AbouttheNaturalProductsAssociation .aspx?hkey=8d3a15ab-f44f-4473-aa6e-ba27ccebcbb8 (last visited June 30, 2014).

27. The Products are sold in a variety of outlets, including Wal-Mart, Safeway, Target, and other health food, grocery, and drug stores.

- 28. The packaging for the Products misrepresent that the Products will benefit the environment and consumers alike in a variety of ways.
 - 29. Each of the Products prominently professes that it is "natural" on the front label.
- 30. For example, with regard to Ultra Dishmate, Earth Friendly markets the detergent as "naturally derived," "natural," "made from plants," and free from various chemicals, including 1,4-Dioxane, formaldehyde, and petrochemicals. These representations are made prominently on the front of the product packaging and are designed to lure consumers who are concerned about the use of chemicals and harmful substances. Indeed, as seen in the representative image below, these claims fill most of the front label, along with the Earth Friendly fruit logo and a picture of clouds in a blue sky.



28
DOCUMENT PREPARED
ON RECYCLED PAPER

31. Additionally, with regard to ECOS Natural Laundry, Earth Friendly also markets the detergent as "natural" and free from various chemicals, including 1,4-Dioxane, formaldehyde, and petrochemicals. These representations are made prominently on the front of the product packaging and are designed to lure consumers who are concerned about the use of chemicals and harmful substances. Indeed, as seen in the representative image below, these claims are made, among other locations, in an eye-catching yellow band atop the label.



32. Thus, the Products are deceptively marketed as uniquely positioned, in contrast to conventional detergent offerings, to provide consumers with natural, plant-derived, pure, environmentally sound alternatives that are free from harmful chemicals.

- B. The Products Are Not Natural Because They Contain Synthetic and/or Highly Processed Ingredients, and a Reasonable Consumer Would Not Deem the **Products to Be Natural.**
- 33. Despite Defendant's labels and its representations regarding the natural quality of the Products, the truth is the Products are not natural. Defendant uses many ingredients in its Products, including: Alcohol Denat; Caprylyl/Myristyl Glucoside; Cocamidopropyl Betaine; Cocamidoprpylamine oxide; Lauryl glucoside; Methylisothiazolinone; Phenoxyethanol; Potassium cocoate; Potassium sorbate; and Sodium Coco-Sulfate, that do not meet a reasonable consumer's definition of "natural."
- 34. A reasonable consumer would not deem any of the Products containing the following ingredients to be "natural":
 - a. Alcohol Denat is "prepared by adding one or more denaturing agents to potable Alcohol, making it unfit for beverage or internal human medicinal use." Common denaturing agents include: quassin, brucine sulfate, and denatonium benzoate.³ Quasinn is prepared by allowing quassia chips to stand in hot water. ⁴ The extract is treated with lead acetate and carbon. The carbon is removed and mixed with chloroform. The mixture is reduced and dissolved in methanol and hot water.⁵ Brucin is preparted by reacting 2hydroxystrychnine in acetyl alcohol.⁶ Following the reaction, 2 N HCIO₄ and Na₂S₂O₄ is added.⁷ The mixture is then dissolved in CHCL₃/Methyl Alcohol and treated with ethereal diazometheane. 8,9

-10-

² Final Report on the Safety Assessment of Alcohol Denat, 1 Int. J. Toxicology 1, 2 (2008), available at http://online.personalcarecouncil.org/ctfa-static/online/lists/cir-pdfs/PR273.PDF. ³ *Id*.

⁴ *Id.* at 5.

⁵ *Id*.

⁶ *Id*.

⁷ *Id*.

⁸ *Id*.

⁹ The following products contain Alcohol Denat: Baby Laundry Detergent Chamomile & Lavender, Everyday Stain & Odor Remover, Uni-Fresh Air Freshener Vanilla, Uni-Fresh Air Freshener Cinnamon, Uni-Fresh Air Freshener Lavender, Uni-Fresh Air Freshener Parsley,

Countertop Cleaner, Floor Cleaner, Fruit & Veggie Wash, Orange Plus, Orange Plus Complete,

1	e. Lauryl glucoside is produced by reacting glucose with anhydrous ethanol
2	under acidic conditions to produce ethyl glucoside. 18,19
3	f. MI is produced by reacting ethylene dichloride with sulfurly chloride. ²⁰ The
4	material is then filtered, dissolved in water, diluted with chloroform, and then
5	dried over magnesium sulfate. 21 MI is an EPA registered pesticide. 22 It is
6	used to control slime-forming bacteria, fungi, and algae. 23 MI is a known
7	neurotoxin and is prohibited by the NPA from being included in products that
8	are certified as "natural." 24, 25
9	g. Phenoxyethanol is manufactured by reacting phenol with ethylene oxide in the
10	presence of a basic catalyst under pressure and with heating until 4-8% of the
11	Phenoxyethanol is converted to the diethoxylate; the resulting product is
12	
15 16 17 18 19 20 21 22 23 24 25 26 27	 Monice M. Fiume, et al., Safety Assessment of Decyl Glucoside and Other Alkyl Glucosides as Used in Cosmetics, 32 Int. J. of Toxicology 22S, 26S (2013), available at http://online.personalcarecouncil.org/ctfa-static/online/lists/cir-pdfs/PR586.pdf. The following products contain Lauryl Glucoside: Baby Laundry Detergent Chamomile & Lavender, ECOS 4X Concentrated Laundry Detergent, Liquid Laundry Detergent Lavender, Liquid Laundry Detergent Lavender, Liquid Laundry Detergent Lemongrass, Liquid Laundry Detergent Free & Clear. Sheldon N. Lewis et al., Isothiazoles I; 4-Isothiazolin-3-ones. A General Synthesis from 3,3'-Dithiodipropionamides, 8 J. Heterocyclic Chemistry 571, 579 (1971). Id. EPA, R.E.D. Facts: Methylisothiazolinone (1998), available at http://www.epa.gov/oppsrrd1/REDs/factsheets/3092fact.pdf (last visited June 10, 2014). Id. Nat'l Prods. Ass'n, NPA Standard and Certification for Personal Care Products (2010), available at http://www.npainfo.org/App_Themes/NPA/docs/naturalseal/The%20Natural%20Standard%2004 1112%20final.pdf (last visited June 10, 2014). The following products contain MI: Baby Laundry Detergent Chamomile & Lavender, ECOS 4X Concentrated Laundry Detergent, Liquid Laundry Detergent Magnolia & Lily, Liquid Laundry Detergent Lavender, Liquid Laundry Detergent Lemongrass, Liquid Laundry Detergent Free & Clear, Spray Starch, Creamy Cleanser, Dishmate Natural Almond, Dishmate Organic Lavender, Dishmate Organic Grapefruit, Dishmate Natural Pear, Dishmate Fragrance Free, Dishmate Apricot, Desmate Grapefruit, Hand Dishwash Pear, Hand Dishwash Grapefruit, Silver Polish, Stainless Steel Cleaner, and Furniture Polish.
28	12

DOCUMENT PREPARED
ON RECYCLED PAPER

acids into lauryl alcohol.³³ Sulfur trioxide or chlorosulfonic acid is added to the lauryl alcohol by a sulfation process.³⁴ The mixture is then neutralized, often using sodium hydroxide, sodium carbonate, or sodium bicarbonate to form SCS.³⁵ The SCS is then purified with one or more solvents, such as nbutanol, diethyl ether, or ethanol. 36 Given that the USDA and FDA consider SLS to be a synthetic substance, and SCS is produced using the same process, SCS is not natural. 37, 38

- 35. Accordingly, a reasonable consumer would not deem the Products containing any of the above ingredients to be natural.
- 36. Thus, by labeling the Products as "natural," Defendant deceives and misleads reasonable consumers.
- 37. Furthermore, the Products contain Methylisothiszolinone (2-methyl-4-isothiazolin-3-one, or "MI"), a biocide used for controlling microbial growth in water-containing solutions.
- 38. MI is neither "natural" nor "made from plants" in the traditional use of those words. MI is produced by the controlled chlorination of dimethyldithiodipropionamide (DPAM) in solvent, followed by neutralization and extraction into water.

27 Dishwash Pear, Hand Dishwash Grapefruit, and Window Cleaner Lavender.

 $^{^{33}}$ ICF Consulting for the USDA Nat'l Organic Program, Technical Evaluation Report: Sodium Lauryl Sulfate (2006), available at

http://www.pharmsolutionsinc.com/docs/NationalOrganicProgramReportonSodiumLaurylSulfate. pdf (last visited June 10, 2014).

 $^{^{34}}$ *Id*.

³⁵ *Id*.

³⁶ *Id*.

³⁷ *Id.*; see also Oral Health Care Drug Product for Over-the-Counter Human Use;

Antigingivitis/Antiplaque Drug Products; Establishment of a Monograph; Proposed Rules, 68 Fed. Reg. 32232, 32263 (May 29, 2003).

³⁸ The following products contain SCS: Baby Laundry Detergent Chamomile & Lavender, ECOS 4X Concentrated Laundry Detergent, Liquid Laundry Detergent Magnolia & Lily, Liquid

Laundry Detergent Lavender, Liquid Laundry Detergent Lemongrass, Liquid Laundry Detergent

Free & Clear, Spray Starch, Uni-Fresh Air Freshener Citrus, Uni-Fresh Air Freshener Vanilla, Uni-Fresh Air Freshener Cinnamon, Uni-Fresh Air Freshener Lavender, Uni-Fresh Air Freshener

Parsley, Dishmate Natural Almond, Dishmate Organic Lavender, Dishmate Organic Grapefruit,

Dishmate Natural Pear, Dishmate Fragrance Free, Dishmate Apricot, Desmate Grapefuit, Hand

- 39. MI is known to have allergenic and cytotoxic properties and has been associated with skin toxicity, immune system toxicity, and allergic reactions.³⁹ Evidence also exists that it may be neurotoxic.⁴⁰ In Canada and Japan, this substance is restricted in cosmetics.⁴¹ The European Commission's Scientific Committee on Consumer Safety has stated that MI is unsafe above 15 ppm in rinse-off cosmetic products, and that *no* amount of MI is safe in products designed for prolonged contact with the skin.⁴²
- 40. Indeed, MI has been linked to what is called an "epidemic" of painful skin allergies, including rashes, blistering, swelling, redness, and hives. 43 MI contact allergies are rising dramatically. 44 The rapidly increasing rates of allergic reactions to MI resulted in the American Contact Dermatitis Society naming MI as the contact allergen of the year in 2013. Numerous studies from all over the world quantify the "epidemic" of allergic reactions to MI as being so serious as to occur within 2% to 10% of exposed individuals.
- 41. No consumer would reasonably expect a "pure" offering that is free from harmful chemicals to contain a chemical preservative known to cause severe allergic reactions such as MI.
- 42. The front of Ultra Dishmate's packaging, which touts its "natural" composition free from various chemicals, makes no mention of this harmful chemical. The back of Ultra Dishmate's packaging asserts that "Dishmate's TM balanced pH makes it extremely gentle on hands." The packaging does not reveal anywhere that the MI it contains is linked to severe allergic reactions and considered unsafe for prolonged contact with skin. Nor does the packaging

³⁹ See EWG, EWG's Skin Deep Cosmetics Database, Entry for METHYLISOTHIAZOLINONE,"

http://www.ewg.org/skindeep/ingredient/703935/METHYLISOTHIAZOLINONE/.

22 | 40 *Id.* 41 Good Guida com Ma

⁴¹ GoodGuide.com, Methylisothiazolinone Information, http://www.goodguide.com/ingredients/53090-methylisothiazolinone.

⁴² See Scientific Committee on Consumer Safety, Opinion on MI, Submission II (2014), http://ec.europa.eu/health/scientific_committees/consumer_safety/docs/sccs_o_145.pdf.

43 See, e.g., http://www.telegraph.co.uk/news/health/10517988/The-epidemic-in-the-bathroom-manufacturers-told-to-remove-chemical-linked-to-skin-allergies.html; and

http://www.webmd.com/skin-problems-and-treatments/news/20140323/rashes-from-wipes-liquid-soaps-on-the-rise.

44 See, e.g., http://www.ncbi.nlm.nih.gov/pubmed/24819287.

include any warning whatsoever that the contact with the Products may result in some type of contact dermatitis or other skin malady.

- 43. The front of ECOS Natural Laundry's packaging, which touts its "natural" composition free from various chemicals, makes no mention of this harmful chemical. The back of ECOS Natural Laundry's packaging asserts that "ECOS® cleans to the most exacting standards, yet is extremely gentle on fabrics." Nowhere does the packaging reveal that the MI it contains is linked to severe allergic reactions and considered unsafe for prolonged contact with skin.
- 44. By including MI, Defendant provides the opposite of the Products' advertised attributes of being "natural" and "gentle." Moreover, Defendant misleads consumers by marketing the Products as free from various chemicals, while the Products at the same time contain the toxic and allergenic chemical MI.
- 45. Therefore, Defendant's representations that the Products are pure, natural, environmentally sound, gentler than traditional detergents, and free from harmful chemicals are false, deceptive, and misleading.
- 46. The presence of MI in Ultra Dishmate is not disclosed on the front label of the packaging, where Defendant makes unqualified claims of "naturally derived," "natural," and "made from plants."
- 47. The presence of MI in ECOS Natural Laundry is not disclosed on the front label of the packaging, where Defendant makes multiple unqualified claims of a "natural" product.
- 48. Because the Products contain MI, an unnatural ingredient, Defendant's claim that the Products are "natural" is false, misleading, and designed to deceive consumers into purchasing the Products. This fact alone, that the Products are not natural, yet marketed and distinguished primarily upon this characteristic, is sufficiently deceiving to the consumer. The fact that MI is likely hazardous, provoking allergic and other reactions, only highlights Defendant's deception.

26

25

C. Reasonable Consumers Purchase the Products Because They Have Been Deceived to Believe They Are "Natural."

- 49. Defendant's labeling of the Products as "natural" unequivocally demonstrates its intent to persuade the consumer that the Products are "natural" because they contain only natural ingredients. However, the Products do not contain only natural ingredients. As described above, many of the ingredients contained in the Products are the result of complex, multi-step processes that involve the use of toxic chemicals. The end products are substances which do not exist in nature, and which could not exist without the complex chemical processes detailed in Section B of the Substantive Allegations above.
- 50. Despite the inclusion of highly processed and/or non-natural ingredients, Defendant labeled and marketed the Products as "natural."
- 51. Reasonable consumers, including Plaintiffs, purchased the Products based upon a belief that they are "natural." However, a reasonable consumer would not deem the Products natural if he/she knew that they contained highly processed and/or non-natural ingredients.
- 52. Hence, Defendant's claims that the Products are "natural" are false and misleading.

D. Certain Products Which Are Sold, Labeled, and Represented as Organic, Are Not Organic.

- 53. As with the demand for and premium paid for natural products, the demand for and premium paid for organic products has spurned profiteering companies such as Defendant to sell, label and represent products as organic when in fact such products are not organic.
- 54. Defendant sells and markets cosmetic products such as its liquid hand soaps as organic. For example, such products prominently state "Organic Lemongrass" and/or "Organic Lavender" on the principle display panel. Nevertheless, such products are comprised almost entirely from ingredients that are not organic.
- 55. Organic products are made with organically grown plants. As such, organic ingredients are produced without the use of pesticides and other harmful or potentially harmful chemicals. Organic products have gained popularity such that over 70% of households in the United States now use some organic products each year, even though such products typically cost more than their non-organic counterparts. Growing concerns over the use of harmful chemicals

in the production of non-organic products, together with a desire for more healthy lifestyles, have spurred the popularity of organic products. The personal care product market is one of the fastest growing markets for organic products. Consumers such as Plaintiff and the other members of the Classes are willing to pay more for organic personal care products such as skin care, hair care, and body care in order to avoid harmful chemicals in favor of more natural ingredients. Defendant takes advantage of this segment of consumers by marketing, advertising, selling, labeling, and representing the Cosmetic Products as organic, when in fact such Cosmetic Products contain significant amounts of non-organic ingredients. In fact, the vast majority of the ingredients in the Cosmetic Products are not organic.

- 56. California law expressly prohibits companies such as Defendant from engaging in this type of misleading labeling. The California Organic Products Act of 2003, Cal. Health & Safety Code § 110810, et seq. (hereinafter "COPA"), requires that any cosmetic product sold, labeled and/or represented as "organic" must be comprised of at least 70% organically produced ingredients by weight or fluid volume, excluding water and salt. Cal. Health & Safety Code §110838. The Cosmetic Products are cosmetics that contain far less than 70% organically produced ingredients, excluding water and salt. Nevertheless, Defendant labels, sells, and represents the Cosmetic Products as organic.
- 57. Defendant's conduct of advertising, marketing, selling, labeling, and representing the Cosmetic Products as organic, when in fact such Cosmetic Products are comprised mainly of non-organic ingredients, constitutes unlawful, unfair, and deceptive conduct, is likely to deceive members of the public, is unethical, oppressive, unscrupulous, and substantially injurious to consumers, and violates California's legislatively-declared policies against misrepresenting the organic content of cosmetics and against misrepresenting the characteristics of goods and services. As such, Defendant's marketing, labeling, and advertising practices violate California's COPA.

The Nature of the Illegality of Defendant's Conduct

58. Defendant has profited enormously from its false advertising of the Products. According to its website, Defendant is a family-owned company that now "has international

distribution, in more than 60 countries, of a retail line of over 60 household products," and its products "may be purchased at a variety of retail outlets and on [its own] web site." ⁴⁵

- 59. The Federal Trade Commission (FTC), whose mission is, in part, "[t]o prevent business practices that are anticompetitive or deceptive or unfair to consumers," has issued marketing standards, known as the "FTC Green Guides," that apply to the unfair and deceptive nature of Defendant's environmental marketing claims.
- 60. Environmental marketing claims that violate the standards of the Green Guides are *per se* unlawful under California's Environmental Marketing Claims Act ("EMCA"), Cal. Bus. & Prof. Code §§ 17580-17581.
- Guides and in violation of the EMCA in several respects. For example, Defendant makes unqualified representations about the "natural" qualities of the Products, whereas the FTC Green Guides advise that, to prevent deceptive claims, any "qualifications and disclosures should be clear, prominent and understandable." Furthermore, the FTC Green Guides advise that, "[t]o make disclosures clear and prominent, marketers . . . should place disclosures in close proximity to the qualified claim." Defendant has not placed any clear, prominent disclosures in close proximity to its unqualified "natural," "naturally derived," and "made from plants" claims on the packaging for Ultra Dishmate or in close proximity to its "Natural" claim on the packaging for ECOS Natural Laundry.
- 62. Similarly, Defendant makes unqualified representations that the Products offer general environmental benefits, whereas the Green Guides advise that "marketers should not

⁴⁵ Earth Friendly Products, About Us, http://www.ecos.com/about.html (viewed Jan. 31, 2015).

⁴⁶ See FTC, GUIDES FOR THE USE OF ENVIRONMENTAL MARKETING CLAIMS, 16 C.F.R. Part 260, available at http://www.ftc.gov/os/2012/10/greenguides.pdf.

⁴⁷ 16 C.F.R. § 260.3(a) (2012); *see also* 16 C.F.R. § 260.6(a) (2003) ("*Qualifications and disclosures*. The Commission traditionally has held that in order to be effective, any qualifications or disclosures such as those described in these guides should be sufficiently clear, prominent and understandable to prevent deception.").

⁴⁸ 16 C.F.R. § 260.3(a) (2012); *see also* 16 C.F.R. § 260.6(a) (2003) ("Clarity of language, relative type size and proximity to the claim being qualified, and an absence of contrary claims that could undercut effectiveness, will maximize the likelihood that the qualifications and disclosures are appropriately clear and prominent.").

make unqualified general environmental benefit claims." ⁴⁹ By way of illustration and not limitation, Defendant's representations "natural," "naturally derived," and "made from plants," Defendant's use of the "Earth Friendly" logo with orange and lemon fruits, and (on many of the packages) illustrations such as clean blue skies or falling water drops, are all such unqualified representations of general environmental benefit. ⁵⁰ Moreover, should any consumer research further, Defendant's own website asserts that it "respond[s] to new research and customer preferences immediately." ⁵¹

- 63. Furthermore, although the FTC Green Guides do not specifically address the term "natural," "naturally derived," and "made from plants," the FTC has made clear that the general principles of the Guides apply— *i.e.*, use of such terms must not be misleading to reasonable consumers, and marketers must have substantiation for such claims if they evoke environmental benefits.⁵² Defendant's use of these terms is misleading and unsubstantiated, as described herein.
- 64. In sum, Defendant's prominent representations on the packaging for the Products deceptively mislead consumers into believing that Earth Friendly Products offers two natural,

⁴⁹ 16 C.F.R. § 260.4(b) (2012); *see also* 16 C.F.R. § 260.7(a) (2003) ("It is deceptive to misrepresent, directly or by implication, that a product, package or service offers a general environmental benefit. . . . [E]very express and material implied claim that the general assertion conveys to reasonable consumers about an objective quality, feature or attribute of a product or service must be substantiated. Unless this substantiation duty can be met, broad environmental claims should either be avoided or qualified, as necessary, to prevent deception about the specific nature of the environmental benefit being asserted.").

⁵⁰ See 16 C.F.R. § 260.4("Example 3") (2012) ("A marketer's advertisement features a picture of a laser printer in a bird's nest balancing on a tree branch, surrounded by a dense forest. In green type, the marketer states, 'Buy our printer. Make a change.' Although the advertisement does not expressly claim that the product has environmental benefits, the featured images, in combination with the text, likely convey that the product has far-reaching environmental benefits and may convey that the product has no negative environmental impact. Because it is highly unlikely that the marketer can substantiate these claims, this advertisement is deceptive.").

Earth Friendly Products, About Us, http://www.ecos.com/about.html (viewed Jan. 31, 2015).

⁵² See FTC, THE GREEN GUIDES: STATEMENT OF BASIS AND PURPOSE, http://www.ftc.gov/os/fedreg/2012/10/greenguidesstatement.pdf 259 (citing 75 Fed. Reg. 63,552, 63,585-63,586 (Oct. 15, 2010)). The FTC did not propose specific guidelines regarding the term "natural" because it "lacked consumer perception evidence indicating how consumers understand 'natural." *Id*.

environmentally sound, and relatively safer product alternatives to traditional offerings in the detergent categories.

- 65. Defendant has engaged in additional unlawful conduct by and through its failure to warn regarding the significant and known hazards of exposure to the MI contained in the Products. Where, as here, a significant proportion of the population suffers from allergic reactions to a chemical contained in a consumer product, the manufacturer of that product has a legal duty to warn regarding the allergic properties of that chemical. This is especially true where, as here, the consumer may have no other means of knowing that the use of the Products may result in serious skin allergies.
- 66. Defendant has profited enormously from false and misleading representations that the Products are natural, safe, organic, and environmentally sound, as well as its failure to include warnings regarding the skin allergies caused by the chemical compounds within the Products. The purpose of this action is to put an end to Earth Friendly Products' deceptive marketing of the Products and to provide consumers with warnings regarding the allergenic properties of the MI contained within the Products and monetary relief for Defendant's unjust enrichment stemming from its deceptive and misleading product claims.

CLASS ALLEGATIONS

67. Plaintiffs bring this action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of themselves and all others similarly situated individuals within the United States (the "Class"), defined as follows:

All United States residents who purchased the Products within the United States during the period from January 23, 2011 through the date of the Preliminary Approval Order. Excluded from the Nationwide Class are any of Defendant's officers, directors, or employees; officers, directors, or employees of any entity in which Defendant currently has or has had a controlling interest; and Defendant's legal representatives, heirs, successors, and assigns.

68. Additionally, Plaintiff Baharestan brings this action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of herself and all other similarly situated Californians (the "California Sub-Class"), defined as follows:

All persons who purchased the Products within the state of California during the period from January 23, 2011 through the date of the Preliminary Approval Order. Excluded from the Nationwide Class are any of Defendant's officers, directors, or employees; officers, directors, or employees of any entity in which Defendant currently has or has had a controlling interest; and Defendant's legal representatives, heirs, successors, and assigns.

69. Additionally, Plaintiff McIntyre brings this action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of herself and all other similarly situated Washington residents (the "Washington Sub-Class"), defined as follows:

All persons who purchased the Products within the state of Washington during the period from January 23, 2011 through the date of the Preliminary Approval Order. Excluded from the Nationwide Class are any of Defendant's officers, directors, or employees; officers, directors, or employees of any entity in which Defendant currently has or has had a controlling interest; and Defendant's legal representatives, heirs, successors, and assigns.

- 70. The requirements of Federal Rule of Civil Procedure 23 are satisfied because:
- (a) <u>Numerosity</u>: The members of each class are so numerous that joinder of all members is impracticable. While the exact number of class members is presently unknown to Plaintiff, based on Defendant's volume of sales, Plaintiff estimates that each class numbers in the thousands.
- (b) <u>Commonality</u>: There are questions of law and fact that are common to the class members and that predominate over individual questions. These include the following:
 - Whether Defendant materially misrepresented to the class members that the Products are natural;
 - ii. Whether Defendant's misrepresentations and omissions were material to reasonable consumers;
 - iii. Whether Defendant's labeling, marketing, and sale of the Products constitutes an unfair, unlawful, or fraudulent business practice;
 - iv. Whether Defendant's conduct described above constitutes a breach of warranty;

- v. Whether Defendant's conduct injured consumers and, if so, the extent of the injury; and
- vi. The appropriate remedies for Defendant's conduct.
- (c) <u>Typicality</u>: Plaintiff's claims are typical of the claims of the class members because Plaintiff suffered the same injury as the class members—*i.e.*, Plaintiff purchased the Products based on Defendant's misleading representations that the Products are "natural."
- (d) Adequacy: Plaintiff will fairly and adequately represent and protect the interests of the members of each class. Plaintiff does not have any interests that are adverse to those of the class members. Plaintiff has retained competent counsel experienced in class action litigation and intends to prosecute this action vigorously.
- (e) <u>Superiority</u>: A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Class action treatment will permit a large number of similarly situated persons to prosecute their common claims in a single forum simultaneously, efficiently, and without the unnecessary duplication of effort and expense that numerous individual actions would engender. Since the damages suffered by individual class members are relatively small, the expense and burden of individual litigation make it virtually impossible for the class members to seek redress for the wrongful conduct alleged, while an important public interest will be served by addressing the matter as a class action.
- 71. The prerequisites for maintaining a class action for injunctive or equitable relief under Federal Rule of Civil Procedure 23(b)(2) are met because Defendant has acted or refused to act on grounds generally applicable to each class member, thereby making appropriate final injunctive or equitable relief with respect to each class as a whole.

CAUSES OF ACTION COUNT I

(Breach of Express Warranty) On Behalf of the Class

- 72. Plaintiffs incorporate by reference the allegations set forth above.
- 73. Plaintiffs and the Class members formed a contract with Defendant at the time

they purchased the Products. As part of that contract, Defendant represented that the Products		
were "natural," as described above. These representations constitute express warranties and		
became part of the basis of the bargain between Plaintiff and the Class members, on the one		
hand, and D	efendar	nt, on the other.
74.	Defen	ndant made the above-described representations to induce Plaintiffs and the
Class memb	ers to p	ourchase the Products, and Plaintiffs and the Class members relied on the
representati	ons in p	purchasing the Products.
75.	All co	onditions precedent to Defendant's liability under the above-referenced
contract hav	e been	performed by Plaintiffs and the other Class members.
76.	Defen	ndant breached its express warranties about the Products because, as alleged
above, the F	roducts	are not "natural." Defendant breached the following state warranty laws:
	A.	Alaska Stat. section 45.02.313;
	B.	Ariz. Rev. Stat. section 47-2313;
	C.	Ark. Code Ann. section 4-2-313;
	D.	Cal. Com. Code section 2313;
	E.	Colo. Rev. Stat. section 4-2-313;
	F.	Conn. Gen. Stat. section 42a-2-313;
	G.	6 Del. Code section 2-313;
	H.	D.C. Code section 28:2-313;
	I.	Ga. Code Ann. section 11-2-313;
	J.	Haw. Rev. Stat. section 490:2-313;
	K.	Idaho Code Ann. section 28-2-313;
	L.	810 Ill. Comp. Stat. 5/2-313;
	M.	Ind. Code section 26-1-2-313;
	N.	Kan. Stat. Ann. section 84-2-313;
	O.	Ky. Rev. Stat. section 355.2-313;
	P.	11 Me. Rev. Stat. Ann. section 2-313;
		24

28
DOCUMENT PREPARED
ON RECYCLED PAPER

1	Q.	Mass. Gen. Laws Ann. ch. 106 section 2-313;
2	R.	Minn. Stat. section 336.2-313;
3	S.	Miss. Code Ann. section 75-2-313;
4	Т.	Mo. Rev. Stat. Section 400.2-313;
5	U.	Mont. Code Ann. Section 30-2-313;
6	V.	Neb. Rev. Stat. section 2-313;
7	W.	Nev. Rev. Stat. Ann. section 104.2313;
8	X.	N.H. Rev. Stat. Ann. 382-A:2-313;
9	Y.	N.J. Stat. Ann. section 12A:2-313;
10	Z.	N.M. Stat. Ann. section 55-2-313;
11	AA.	N.Y. U.C.C. Law section 2-313;
12	AB.	N.C. Gen. Stat. section 25-2-313;
13	AC.	N.D. Cent. Code section 41-02-30;
14	AD.	Ohio Rev. Code Ann. section 1302.26;
15	AE.	12A Okla. Stat. section 2-313;
16	AF.	Or. Rev. Stat. section 72-3130;
17	AG.	13 Pa. Cons. Stat. section 2313;
18	AH.	R.I. Gen. Laws section 6A-2-313;
19	AI.	S.C. Code Ann. section 36-2-313;
20	AJ.	S.D. Codified Laws, section 57A-2-313;
21	AK.	Tenn. Code Ann. section 47-2-313;
22	AL.	Tex. Bus. & Com. Code section 2.313;
23	AM.	Utah Code Ann. section 70A-2-313;
24	AN.	9A Vt. Stat. Ann. section 2-313;
25	AO.	Va. Code Ann. section 59.1-504.2;
26	AP.	Wash. Rev. Code Ann. section 62A.2-313;
27	AQ.	W. Va. Code section 46-2-313;
28 REPARED		-25-
D PAPER	Î	CLASS ACTION COMPLAINT

DOCUMENT PREPARED ON RECYCLED PAPER

Products (a) are unqualifiedly "natural", (b) unqualifiedly naturally derived, (c) unqualifiedly made from plants, and (d) safer product alternatives made without harsh chemicals.

- 86. As a result of engaging in such conduct, Defendant has violated California Civil Code § 1770(a)(5), (a)(7), and (a)(9).
- 87. Pursuant to California Civil Code § 1780(a)(2) and (a)(5), Plaintiff Baharestan seeks an order of this Court that includes, but is not limited to, an order requiring Defendant to:
 - a. remove and/or refrain from making representations on the Products'
 packaging representing that the Products provide an unqualified level of
 "natural" benefits; and
 - b. remove and/or refrain from making representations on the Products' packaging representing that the Products are unqualifiedly naturally derived and unqualifiedly made from plants.
- 88. Plaintiff Baharestan and the other California Sub-Class members may be irreparably harmed and/or denied an effective and complete remedy if such an order is not granted.
- 89. The unfair and deceptive acts and practices of Defendant, as described above, present a serious threat to Plaintiff Baharestan and the other members of the California Sub-Class.
- 90. CLRA § 1782 NOTICE. On March 25, 2015, a CLRA demand letter was sent to Defendant via certified mail that provided notice of Defendant's violation of the CLRA and demanded that within thirty (30) days from that date, Defendant correct, repair, replace or other rectify the unlawful, unfair, false and/or deceptive practices complained of herein. The letter also stated that if Defendant refused to do so, a complaint seeking damages in accordance with the CLRA would be filed. Defendant has failed to comply with the letter. Accordingly, pursuant to California Civil Code § 1780(a)(3), Plaintiff Baharestan, on behalf of herself and all other members of the California Sub-Class, seeks compensatory damages, punitive damages, and restitution of any ill-gotten gains due to Defendant's acts and practices.

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	

COUNT III

(Violations of California's False Advertising Law) On Behalf of the California Sub-Class

- 91. Plaintiffs incorporate by reference and reallege herein all paragraphs alleged above.
- 92. As alleged more fully above, Defendant has falsely advertised the Products by falsely claiming that the Products are unqualifiedly naturally derived and environmentally sound.
- 93. Plaintiff Baharestan and the other members of the California Sub-Class have suffered injury in fact and have lost money or property as a result of Defendant's violations of California's False Advertising Law ("FAL"), Cal. Bus. & Prof. Code § 17500 *et seq.*
- 94. Pursuant to California Business and Professions Code §§ 17203 and 17535, Plaintiff Baharestan and the California Sub-Class seek an order of this Court that includes, but is not limited to, an order requiring Defendant to:
 - a. remove and/or refrain from making representations on the Products' packaging representing that the Products provide an unqualified level of "natural" benefits; and
 - b. remove and/or refrain from making representations on the Products' packaging representing that the Products are unqualifiedly naturally derived and unqualifiedly made from plants.

COUNT IV

(Violations of California's Environmental Marketing Claims Act) On Behalf of the California Sub-Class

- 95. Plaintiffs incorporate by reference and reallege herein all paragraphs alleged above.
- 96. As alleged more fully above, Defendant has falsely advertised the Products by falsely claiming that the Products are unqualifiedly natural, unqualifiedly naturally derived, and unqualifiedly made from plants.
- 97. Plaintiff Baharestan and the other members of the California Sub-Class have suffered injury in fact and have lost money or property as a result of Defendant's violations of

California's Environmental Marketing Claims Act ("EMCA"), Cal. Bus. & Prof. Code §§ 17580-17581.

- 98. In particular, Defendant has violated and continues to violate California Business and Professions Code § 17580.5, which makes it "unlawful for any person to make any untruthful, deceptive, or misleading environmental marketing claim, whether explicit or implied" and which defines an environmental marketing claim to include "any claim contained in the [the FTC's Green Guides]."
- 99. Pursuant to California Business and Professions Code §§ 17203 and 17535, Plaintiff Baharestan and the California Sub-Class seek an order of this Court that includes, but is not limited to, an order requiring Defendant to:
 - a. remove and/or refrain from making representations on the Products'
 packaging representing that the Products provide an unqualified level of
 "natural" benefits; and
 - b. remove and/or refrain from making representations on the Products' packaging representing that the Products are unqualifiedly naturally derived and unqualifiedly made from plants.

COUNT V

(Violation of California Organic Products Act) On Behalf of the California Sub-Class

- 100. Plaintiff McBride incorporates by reference the allegations set forth above.
- 101. Plaintiff Baharestan is a "person" within the meaning of Cal. Health & Safety Code § 111910(a).
- 102. Defendant has violated and continues to violate the provisions of COPA, Cal. Health & Safety Code § 110838, as described above.
- 103. Cal. Health & Safety Code § 111910(a) provides for injunctive relief for any violation of COPA and affords standing to "any person" to enforce such violations. That Section provides, in part:

any person may bring an action in superior court pursuant to this section and the court shall have jurisdiction upon hearing and for cause shown, to grant a temporary or permanent injunction restraining any person from

1	violating any provision of Article 7 (commencing with Section 110810) of Chapter 5.
2	Id. That Section further provides that actions for injunctive relief to remedy violations of COPA
3	are not subject to all of the same restrictions as other actions for injunctive relief. Specifically,
4	the person shall not be required to allege facts necessary to show, or
5	tending to show, lack of adequate remedy at law, or to show, or tending to show, irreparable damage or loss, or to show, or tending to show, unique or special individual injury or damages.
6	Id.
7	104. Plaintiff is thus entitled to both preliminary and permanent injunctive relief to
8	restrain Defendant's violations of COPA. Cal. Health & Safety Code § 111910(a).
9	105. Specifically, Plaintiff Baharestan and the California Sub-Class seek an order of
10	this Court that includes, but is not limited to, an order requiring Defendant to:
11	a. Stop using the word "organic" on the principal display panel of any product
12	that does not contain a minimum of 70% organic ingredients.
13	b. pay Plaintiff Baharestan's and the California Sub-Class's attorneys' fees and
14	costs.
15	<u>COUNT VI</u>
16	(Violation of California's Unfair Competition Law) On Behalf of the California Sub-Class
17	106. Plaintiffs incorporate by reference and reallege herein all paragraphs alleged
18	above.
19	107. By committing the acts and practices alleged herein, Defendant has violated
20	California's Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code §§ 17200-17210, as to the
21	California Sub-Class as a whole, by engaging in unlawful, fraudulent, and unfair conduct.
22	108. Defendant has violated the UCL's proscription against engaging in unlawful
23	conduct as a result of:
24	a. its violations of the CLRA, Cal. Civ. Code § 1770(a)(5), (a)(7), and (a)(9), as
25	alleged above;
26	b. its violations of the FAL, Cal. Bus. & Prof. Code § 17500 et seq., as alleged
27	above;
28	-30-
PARED	-30-

- c. its violations of COPA, Cal. Health and Safety Code §110838, as alleged above:
- d. its violations of the EMCA, Cal. Bus. & Prof. Code §§ 17580-17581, as alleged above; and
- e. Its material omissions resulting from its failure to warn regarding the known allergenic hazards of MI as described above.
- 109. Defendant's acts and practices described above also violate the UCL's proscription against engaging in fraudulent conduct.
- 110. As more fully described above, Defendant's misleading marketing, advertising, packaging, and labeling of Products is likely to deceive reasonable consumers. Indeed, Plaintiff Baharestan and the other members of the California Sub-Class were unquestionably deceived regarding the environmental and natural benefits of Products, as Defendant's marketing, advertising, packaging, and labeling of the Products misrepresents and/or omit the true facts concerning the benefits of the Products. Plaintiff Baharestan and the California subclass were further deceived by Defendant's omission of any warnings regarding the known allergenic hazards of the MI in the Products. Said acts are fraudulent business practices.
- 111. Defendant's acts and practices described above also violate the UCL's proscription against engaging in *unfair* conduct.
- 112. Plaintiff Baharestan and the other California Sub-Class members suffered a substantial injury by virtue of buying the Products that they would not have purchased absent Defendant's unlawful, fraudulent, and unfair marketing, advertising, packaging, and labeling or by virtue of paying an excessive premium price for the unlawfully, fraudulently, and unfairly marketed, advertised, packaged, and labeled Products.
- 113. There is no benefit to consumers or competition from deceptively marketing and labeling products, which purport to be natural, naturally derived, made from plants, and safer alternatives to traditional offerings when these claims are false. There is also no benefit to consumers from failing to provide warnings regarding a skin allergen that is known to cause allergic reactions in two to ten percent of the population.

- 114. Plaintiff Baharestan and the other California Sub-Class members had no way of reasonably knowing that the Products they purchased were not as marketed, advertised, packaged, or labeled. Thus, they could not have reasonably avoided the injury each of them suffered.
- 115. The gravity of the consequences of Defendant's conduct as described above outweighs any justification, motive, or reason therefore, particularly considering the available legal alternatives which exist in the marketplace, and such conduct is immoral, unethical, unscrupulous, offends established public policy, or is substantially injurious to Plaintiff Baharestan and the other members of the California Sub-Class.
 - 116. Defendant's violations of the UCL continue to this day.
- 117. Pursuant to California Business and Professional Code § 17203, Plaintiff Baharestan and the California Sub-Class seek an order of this Court that includes, but is not limited to, an order requiring Defendant to:
 - a. remove and/or refrain from making representations on the Products' packaging representing that the Products provide an unqualified level of "natural" benefits;
 - remove and/or refrain from making representations on the Products'
 packaging representing that the Products are unqualifiedly naturally derived
 and unqualifiedly made from plants;
 - require prominent warnings on the principle display panel of the Products that such Products contain methylisothiazolinone, a chemical known to cause severe contact dermatitis;
 - d. provide restitution to Plaintiff Baharestan and the other California Sub-Class members;
 - e. disgorge all revenues obtained as a result of violations of the UCL; and
 - f. pay Plaintiff Baharestan's and the California Sub-Class's attorneys' fees and costs.

COUNT VII

(Violation of the Washington Consumer Protection Act – RCW §§ 19.86, et seq.) On Behalf of the Washington Sub-Class

- 118. Plaintiffs incorporate by reference and reallege herein all paragraphs alleged above.
- 119. This claim arises under the Washington Consumer Protection Act, Wash. Rev. Code ("RCW") §§ 19.86, et seq. ("CPA").
- 120. At all relevant times, Defendant engaged in "trade" and/or "commerce" within the meaning of RCW § 19.86.010.
- 121. The CPA broadly prohibits unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or business. RCW § 19.86.020
- 122. Defendant made uniform representations that the Products were of a particular standard, quality, or grade when they were not, and, as set forth above, made false and/or misleading statements regarding the "natural" quality and characteristics of the Products that, as set forth above, were unfair and deceptive, had and continue to have the capacity to deceive the public, cause injury to Plaintiff McIntyre and the Washington Class, and were made in violation of the CPA.
- 123. As alleged above, Defendant has violated the CPA by making false representations on the Products' packaging and in marketing (as detailed herein) that the Products are "natural," when in fact they contain highly processed and/or non-natural ingredients.
- 124. This type of information is relied upon by consumers in making purchasing decisions and is fundamental to the decision to purchase the Products.
- 125. Defendant has represented and continues to represent its Products in a deceptive and misleading manner as described herein. These representations were important to reasonable consumers, such as Plaintiff and members of the Washington Class, in deciding whether to purchase the Products. Defendant knew or should have known these representations were patently false and/or misleading.
- 126. Plaintiff McIntyre and members of the Washington Class have each been directly and proximately injured by the conduct of Defendant, and such injuries include economic injury

for the loss of sums which constituted payment for the Products they purchased. Indeed, Plaintiff McIntyre and the Washington Class lost money or property when they purchased and/or paid a premium price for the Products. Plaintiff McIntyre and the Washington Class would not have paid as much or purchased the Products at all had they known they were not "natural" as promised.

- 127. At all times material, Defendant engaged in a scheme of making false representations on the Products' packaging and in marketing (as detailed above) by misrepresenting the "natural" quality. In fact, Defendant knew that these representations were false and misleading. In engaging in this conduct, Defendant misrepresented important characteristics of its Products— i.e., the "natural" quality. Defendant intended that Plaintiff McIntyre and members of the Washington Class rely on its deceptive acts and misrepresentations, and Plaintiff and the members of the Washington Class were actually deceived by Defendant's representations regarding the "natural" quality of the Products.
- 128. The representations made by Defendant detrimentally affect the public interest. There is an inherent public interest in the truthful marketing and sales of products that operate as advertised. The Products were not of the "natural" quality as advertised and thus negatively affected the public interest.
- 129. By the conduct described herein, Defendant engaged in unfair methods of competition and/or unfair or deceptive acts or practices in the conduct of business, trade, or commerce.
- 130. The Plaintiff McIntyre has already provided any required notice to appropriate entities regarding Defendant's unfair and deceptive trade practices.
 - 131. THEREFORE, Plaintiffs prays for relief as set forth below.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs demand judgment on behalf of themselves and the Class and the California Sub-Class as follows:

A. An order certifying the proposed Class and the California and Washington Sub-Classes; appointing Plaintiffs as representatives of the Class and the Sub-Classes; and appointing Plaintiffs' undersigned counsel as Class counsel;

1	B.	A declaration that Defendant is financially responsible for notifying Class		
2	members of	the pendency of this suit;		
3	C.	An award of restitution;		
4	D.	An award of restitutionary disgorgement pursuant to California Business and		
5	Professions	Code §§ 17203 and 17535 for members of the California Sub-Class;		
6	E.	An order enjoining Defendant's unlawful and deceptive acts and practices,		
7	pursuant to California Business and Professions Code §§ 17203 and 17535, to remove and/or			
8	refrain from using representations on Defendant's Products that the Products provide an			
9	unqualified level of "natural" benefits and are unqualifiedly naturally derived and made from			
	plants;			
10	F.	An order enjoining Defendant's violations of COPA;		
11	G.	An order requiring prominent warnings on the principal display panel of the		
12	Products that such Products contain methylisothiazolinone, a chemical known to cause severe			
13	contact dermatitis;			
14	Н.	Monetary damages and injunctive relief for members of the California Sub-Class		
15	pursuant to	California Civil Code § 1780;		
16	I.	Statutory damages in the maximum amount provided by law;		
17	J.	Punitive damages in accordance with proof and in an amount consistent with		
18	applicable p	recedent;		
19	K.	An order awarding Plaintiffs and the other Class members the reasonable costs and		
20	expenses of	suit, including their attorneys' fees; and		
21	L.	Any further relief that the Court may deem appropriate.		
22		JURY TRIAL DEMANDED		
23	Plain	ntiff demands a trial by jury for all claims so triable.		
24				
25				
26				
27				
28 PARED		-35-		

Case3:15-cv-03578 Document1 Filed08/04/15 Page36 of 36 1 DATED: August 4, 2015 Respectfully submitted, 2 3 /s/ Mark N. Todzo Mark N. Todzo, State Bar No. 168389 4 Abigail Blodgett, State Bar No. 278813 LEXINGTON LAW GROUP 5 503 Divisadero Street San Francisco, CA 94117 6 Telephone: (415) 913-7800 7 Facsimile: (415) 759-4112 mtodzo@lexlawgroup.com 8 ablodgett@lexlawgroup.com 9 Melissa Wolchansky (pro hac vice pending) Charles D. Moore (pro hac vice pending) 10 HALUNEN LAW 11 1650 IDS Center 80 S 8th Street 12 Minneapolis, MN 55402 Telephone: 612.605.4098 13 Facsimile: 612.605.4099 14 wolchansky@halunenlaw.com moore@halunenlaw.com 15 ATTORNEYS FOR PLAINTIFFS 16 17 18 19 20 21 22 23 24 25 26 27

DOCUMENT PREPARED ON RECYCLED PAPER